

Attachment "C"

September 10, 2008

PRIVATE & CONFIDENTIAL

Mr. George Georgiou
Co AJAC Capital Trust

Dear Mr. Georgiou:

RE: COMMERCIAL TERM LOAN FACILITY COMPANY A-1

We are pleased to advise that the Credit Committee has provided its conceptual approval and as such this revised Term Sheet serves to outline the terms and conditions under which we are willing to proceed with a formal approval for credit. At this point it should not be construed as formal commitment or authorization on the part of the Credit Union. Accordingly, terms, conditions and security may be changed in the final documentation process.

Please note that any changes, deletions or additions will render this document null and void

BORROWER

Green Street Ventures (legal name to be confirmed)

Important Notice:

The borrowing entity, officers, directors and beneficial owners will have no legal or implied connection whatsoever to the officers, Directors, or beneficial owners as per the Term Sheet of even date prepared for company B-1

GUARANTORS

Alex Barrotti. (The above notice applies).

LENDER

PACE Savings & Credit Union Limited.

TYPE OF CREDIT & AMOUNT

Term Loan - **CDN. \$6,000,000.**

(If the beneficial owners are currently Borrowers of PSCU, or Guarantee the borrowings of a PSCU member, then the amount so borrowed or guaranteed will be deducted from the \$6,000,000. with the net amount representing the proposed Term Loan)

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PURPOSE

Assist with the purchase of A.P. Plasman Inc and A.P. Plasman Corporation.

DRAWDOWN

Upon completion of the security documentation required pursuant to Section 2 of this term sheet and compliance with the conditions precedent to funding provided for in Section 3 of this term sheet.

REPAYMENT

On demand. Until such demand is made, monthly Interest in arrears for a period of 35 months following initial drawdown, with payment of any accrued interest and full principal upon the 36th month of initial drawdown.

PREPAYMENT

This facility will be closed for a period of 6 months following initial drawdown. If repayment occurs during the closed term then subject to a 3 month interest penalty.

TERM

Due on demand but 3 year term. This facility will be subject to annual review with the first of such reviews to take place 4 months following the Borrowers fiscal year end

AMORTIZATION

Due on demand

INTEREST RATE

PACE Credit Union Variable base rate less .75% Credit Union Variable base rate is currently 6.75%

FEES

Processing / Commitment Fee - .75% of the amount advanced.
Annual Renewal Fee \$1,000.

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SECTION 2 - SECURITY

The present and future indebtedness and liability of the Borrower to the Lender shall be secured by the following security evidenced by documents in form satisfactory to the Lender and its legal counsel, if applicable and registered or recorded as required by the Lender, to be provided prior to any advances or avail being made under the Credit Facility:

- 1) Term Loan Variable Interest Promissory note for the net amount advanced. For purposes of the Term Sheet it is assumed that \$6,000,000 will be advanced. The document is to be executed by the signing officers of the Borrower.
- 2) Formal assignment via General Hypothecation of \$25,000,000. common shares in Northern Ethanol together with Power of Attorney and whatever other documentation required by PSCU solicitor to effect legal assignment.
- 3) Formal assignment via General Hypothecation of Hydrogen Hybrid Technologies common shares (# of shares to be determined) together with Power of Attorney and whatever other documentation required by PSCU solicitor to effect legal assignment.
- 4) Formal assignment of cash-flow in the amount of 4 million dollars per year of A.P Plasman Inc. and/ or A.P. Plasman Corporation. PSCU Lawyers to prepare this documentation.
- 5) Personal Guarantee and Postponement of Claim in the amount of Six Million Dollars from Mr. Alex Barrottie, to be supported by a formal personal net worth statement, and documentation satisfactory to PSCU regarding the ability to provide debt service.

GENERAL SECURITY

- 1) Business Loan General Security Agreement representing a **first** floating charge over the assets and undertakings of the borrowing entity . Same will be registered under PPSA.

Important notice:

The above security shall stand entirely on its own and have no connection whatsoever to the proposed security package detailed under the security panel of the company B-1 Term Sheet of even date.

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All other documentation necessary in the opinion of the Lender and its legal counsel, to complete this transaction.

SECTION 3 - CONDITIONS PRECEDENT TO FUNDING

Those customarily found in the Lender's security documents and any additional conditions appropriate in the context of the proposed transaction, and in any event, to include without limitation, the following:

- 1) Proforma opening balance sheet of the borrower reflecting its ownership in A.P. Plasman et al.
- 2) Organizational chart of the borrowing entity.
- 3) Formal personal net worth statement from Alex Barottie and documentation satisfactory to PSCU regarding the ability to provide debt service.
- 4) The Borrower will pay all legal fees and disbursements of the Lender in connection with this term sheet and any documentation resulting there from.
- 5) The Borrower shall establish an account with the Credit Union and execute all appropriate documentation required for the company.
- 6) The Borrower to provide a copy of the articles of incorporation, borrowing bylaw and officers and directors schedule for the borrowing entity.
- 7) The Borrower shall purchase \$175.00 in Credit Union membership shares. Membership in PSCU is to be maintained in good standing at all times while any portion of the Credit Facilities remains outstanding or committed.
- 8) The Borrower and guarantor authorize PSCU to obtain information from others as it may reasonably require, to disclose to other credit grantors or credit bureaus as permitted by Law, particulars of this term sheet.
The borrower and guarantor acknowledge notice from PSCU that a commercial/consumer report containing credit information may or will be referred to in connection with this term sheet or any renewal or extension thereof

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Important Notice:

The owner of the Northern Ethanol and Hydrogen Hybrid Technologies shares to be assigned shall provide documentation satisfactory to the PSCU the share and ownership structure of Northern Ethanol and Hydrogen Hybrid Technologies.

For security purposes, PSCU is contemplating margining the Northern Ethanol common shares at .30 cents per share. A margining formula of the Hydrogen Hybrid Technologies is to be established. As the above represents a departure of current procedures, an amendments need to be authorized through formal channels.

- 9) There shall not have occurred since the date hereof any material adverse change in, or development likely to have a material adverse effect on the condition (financial or otherwise) of the operation, business, properties, prospects or capitalization of the Borrower.

Important Notice:

- 12) The Borrower covenants to provide any additional information requested and deemed reasonable by the Lender.

GENERAL CONDITIONS/COVENANTS

- 1) The Borrower covenants to provide Accountant prepared financial statements within 120 days following year end, and annually thereafter.
- 2) Updated personal net worth statement from the guarantor to be provided upon request
- 3) The Borrower covenants to provide any additional information requested and deemed reasonable by the Lender.
- 4) The Credit Facilities provided by the Credit Union are non-transferable.

SOLICITOR :

Lenders:

Torkin Manes Cohen Arbus LLP
151 Yonge Street, Suite 1500
Toronto, Ontario M5C 2W7
Attention, Jeffrey J. Simpson
Telephone 416-777-5413

Borrower:

Mr. William Friedman
150 Ferrand Drive Suite 802
Toronto, On. M3C 3E5

LEGAL REQUIREMENTS

It is understood and agreed that all loan documentation has to be approved by PSCU credit department prior to its execution. The Borrower agrees to give the Lender such document assurances, information, covenants that PSCU solicitor may require with regards to this Term Sheet. All legal expenses are the sole responsibility of the Borrower.

Your acceptance will be signified by your signing and returning a copy of this term sheet with a cheque payable to PACE Savings & Credit Union Limited in the amount of \$10,000. not later than the close of business September 12, 2008. The \$10,000. will be credited towards the processing/commitment fee.

The terms herein together with the terms of the additional documentation required will govern the terms of the facilities ther

Should you have any questions or require any further clarification of the terms and conditions recited, please contact me at 905-738-8900. extension 3003

Sincerely,

Rene Laffree

Commercial credit Consultant
On behalf of the Credit Committee

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Acknowledged this _____ day of September, 2008

BORROWER

Green Street Ventures:

Per _____

Per _____

GUARANTOR

Alex Barrottie